

Direct Testimony

Of

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Financial Analysis Division

Illinois Commerce Commission

Northern Illinois Gas Company

d/b/a Nicor Gas

Proposed General Increase in Rates and

Revisions to other terms and conditions of service

Docket No. 08-0363

August 27, 2008

**OFFICIAL FILE**

I.C.C. DOCKET NO. 08-0363

Staff Exhibit No. 8.0

Witness \_\_\_\_\_

Date 11/19/08 Reporter TC

1 **Q. Would you please state your name and business address?**

2 A. My name is Christopher L. Boggs and my business address is 527 E. Capitol  
3 Avenue, Springfield, IL 62701.

4  
5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by the Illinois Commerce Commission ("Commission") as a Rate  
7 Analyst in the Rates Department of the Financial Analysis Division. My  
8 responsibilities include rate design and cost of service analyses for electric, gas,  
9 water and sewer utilities and the preparation of testimony on rates and rate related  
10 matters.

11

12 **Q. How long have you been employed by the Illinois Commerce Commission?**

13 A. I have been employed by the Commission since April of 2008.

14

15 **Q. Please discuss your educational and professional background.**

16 A. I received a BS in Economics/Business Administration from Knox College in 1987.  
17 Since then, I have spent over 16 years in mortgage finance and mortgage  
18 operations management. I have been employed by Illini Bank, Norwest Mortgage,  
19 and most recently was the Mortgage Operations Manager at Illinois National Bank.

20

21 **Q. What is the purpose of your direct testimony?**

22 A. I will be examining some of the proposed changes to Nicor Gas' ("Nicor" or  
23 "Company") tariff language. I will also be examining various proposed changes to  
24 miscellaneous fees and charges.

25

26 **Q. Whose testimony will you be addressing?**

27 A. I will be addressing the testimony of Company witness Robert Mudra (Co. Ex. 14.0)  
28 and the attachments to that testimony.

29

30 **Q. In particular, what tariff language will you be examining?**

31 A. I will be examining the proposed language changes in Rider 2 Franchise Cost  
32 Adjustment and Rider 8 Adjustments for Municipal, Local Governmental Unit and  
33 State Utility Taxes. I will also be examining various changes to miscellaneous fees  
34 and charges the Company is proposing.

35

36 **Q. Please describe the purpose of Rider 2 Franchise Cost Adjustment.**

37 A. The purpose of Rider 2 is to recover the cost of franchise expenses in the form of  
38 either reduced rate service or monetary contributions. These costs are recovered

39 solely from the customers residing within the boundaries of local governmental units  
40 receiving such reduced rate service or monetary compensation.

41

42 **Q. Why does Nicor incur such franchise expenses?**

43 A. The Company incurs franchise expenses in order to gain the privilege of using local  
44 governmental units' public right of way for the delivery of gas within those  
45 communities.

46

47 **Q. How are costs currently recovered under Rider 2?**

48 A. The Company currently recovers these costs from appropriate customers through  
49 monthly billing. In 2005, the Commission approved a recovery for costs under Rider  
50 2 of \$7.9 million starting on January 1, 2007 (Order, Docket No. 04-0779, Sept 20,  
51 2005, p. 188), which the Company, in turn, recovered for the year. However, the  
52 Company claims that, in 2007, actual franchise recovery costs totaled over \$9.3  
53 million, which resulted in an under-recovery of \$1.375 million, a 17.3% deficiency.

54

55 **Q. How does the Company propose to recover its franchise costs on a going**  
56 **forward basis?**

57 A. The Company proposes to continue to recover franchise costs from appropriate  
58 customers on a monthly basis under Rider 2. The Company proposes to amend

59 Rider 2 to provide for the filing of an information sheet on or before April 20th of each  
60 year that specifies the franchise cost adjustment charges to be applicable for the  
61 subsequent 12 months. If Nicor Gas' proposed amendment is approved, the amount  
62 to be recovered would be based on the actual costs of providing reduced rate service  
63 or other monetary contribution to the local governmental units during the previous  
64 calendar year. Until this proposal is approved, Nicor Gas would continue to recover  
65 costs based on Rider 2 charges approved in the 2004 Rate Case.

66  
67 **Q. Please summarize your recommendations for the proposed change in which**  
68 **the Company will recover costs under Rider 2.**

69 A. It seems reasonable for the Company to recover its franchise costs by charging the  
70 appropriate customers monthly based on actual franchise costs from the previous  
71 year. I believe that this is an improvement from the previous cost recovery  
72 mechanism because it mitigates the potential for customers to be over- or under-  
73 charged relative to the costs the Company incurs. The Commission would be able to  
74 monitor the status of these costs annually based on the information sheet to be  
75 submitted annually by the Company and would be able to adjust the cost recovery  
76 accordingly. Thus, I recommend that the Company's proposed change to Rider 2 be  
77 approved.

78  
79 **Q. Please explain Rider 8 Adjustments for Municipal and State Utility Taxes.**

80 A. Rider 8 allows the Company to recover the costs associated with municipal and state  
81 utility taxes which are assessed to the Company.

82  
83 **Q. Why does the Company propose to modify the language in Rider 8?**

84 A. The Company would like to add language that would allow recovery for collection of  
85 utility taxes assessed by *any* unit of local government. Currently, Rider 8 allows for  
86 the collection of utility taxes imposed by municipalities and the state, but does not  
87 provide for collection of utility taxes imposed by any county, township, special district  
88 or other non-municipal units of local government. Recently, Cook County proposed a  
89 utility tax on gross receipts on natural gas service. In the present form, Rider 8 would  
90 not allow the Company to recover the utility tax charge the Company would be  
91 assessed.

92  
93 **Q. How do you respond to the Company's proposed changes to language**  
94 **provided by Rider 8?**

95 A. I believe that this proposed language change requested by the Company should be  
96 accepted. This would allow the Company a fair process to recover utility taxes  
97 imposed by *any* unit of local government that the Company may be assessed in the  
98 future. Thus, I recommend that the Company's proposed changes regarding local  
99 government units in Rider 8 be accepted.

100 **Q. Are there any other modifications proposed for Rider 8?**

101 A. Yes. Company witness Mudra proposes language within Rider 8 "to clarify its  
102 authority to collect payments resulting from audit adjustments imposed by  
103 Municipalities, Local Governmental Units or the State to offset the effect of any taxes  
104 remitted as the result of audit adjustments" (Co. Ex. 14.0 p.33). The Company  
105 proposes that the new language would apply to the Municipal Utility Tax Charge, the  
106 Local Governmental Unit Utility Tax Charge, the Municipal and Local Governmental  
107 Unit Gas Use Tax Charge and to the State Utility Tax, Gas Use Tax and State Utility  
108 Fund Tax Charge.

109

110 **Q. What support and documentation does the Company provide to justify the**  
111 **proposed language?**

112 A. Company witness Mudra does not provide any support, documentation or  
113 explanation for the addition of the proposed language.

114

115 **Q. Please discuss the Municipal Utility Tax Charge.**

116 A. The Municipal Utility Tax Charge is a tax that is allowed by law in the Illinois  
117 Municipal Code, 65 ILCS, Section 8-11-2. The section of the law that pertains to  
118 Nicor Gas states:

119 The corporate authorities of any municipality may tax any or  
120 all of the following occupations or privileges:

- 121 1. (Blank)
- 122 2. Persons engaged in the business of  
123 distributing, supplying, furnishing, or selling  
124 gas for use or consumption within the  
125 corporate limits of a municipality of 500,000  
126 or fewer population, and not for resale, at a  
127 rate not to exceed 5% of the gross receipts  
128 therefrom.

129 This section of the law allows a municipality to set, by ordinance, a tax rate up to  
130 5%. The appropriate utility, in this case Nicor Gas, is permitted to collect the tax  
131 and remit the collected amount to the municipality. According to the Nicor Gas  
132 tariffs, municipalities in the Nicor Gas service territory have implemented tax rates  
133 from 1% to 5%.

134 Also, utilities are legally permitted to charge an additional 3% of the tax rate for its  
135 own administrative costs to collect and remit the tax amounts to the municipality.  
136 For example, if the tax rate is 1%, the utility charges 1.03%; if 2%, the utility  
137 charges 2.06%; if 3%, then 3.09%; if 4%, then 4.12%; if 5%, then 5.15%.

138

139 **Q. How do you respond to the Company's proposal to clarify its authority to**  
140 **collect payments as the result of an audit adjustment?**

141 A. Because the Company did not provide any explanation in its testimony, it is unclear  
142 how the Company expects to be reimbursed for "any payments resulting from audit  
143 adjustments", when the charge to customers is a fixed percent. It is unclear how



144 these audit adjustment payments would fit into the fixed percentages which are  
145 prescribed by municipal ordinances.

146 Without a clear description and explanation with supporting documentation, I cannot  
147 recommend approval of this proposed language.

148

149 **Q. How does the above discussion relate to the Company's proposal to include**  
150 **similar language in the Rider 8 discussion of the Local Governmental Unit**  
151 **Utility Tax Charge and the Municipal, Local Governmental Unit Gas Use Tax**  
152 **Charge and the State Utility Tax, Gas Use Tax and State Utility Fund Tax**  
153 **Charge?**

154 A. I have the same concerns about the proposed language for these tax charges  
155 because, again, the Company has not provided any documentation or explanation to  
156 support its proposal.

157

158 **Q. Do you recommend approval of the proposal to include language within Rider**  
159 **8 to clarify the Company's authority to collect payments as the result of local**  
160 **governing authority audit adjustments?**

161 A. At this point, I recommend against allowing this proposed language inclusion for each  
162 of the stated tax charges in Rider 8. I have sent a data request (Staff DR CB 2  
163 series) to have the Company provide an explanation as to the basis of this proposal.

164 If the Company addresses and provides its reasoning for proposing the language  
165 clarification through its rebuttal testimony, I will reconsider my recommendation.

166

167 **Q. Are there any other language changes that should be made to Rider 8?**

168 A. Yes. The Company has used the word "amount" in the paragraph titled **Municipal**  
169 **and Local Governmental Unit Gas Use Tax Charge**, while in other paragraphs, the  
170 word "payments" is used. For Example, in the **Municipal and Local Governmental**  
171 **Unit Gas Use Tax Charge** paragraph, the second sentence reads:

172 The amount of such additional charge for a Customer, including *any*  
173 *amount* resulting from audit adjustments, shall be determined by  
174 multiplying the applicable per therm charge rate...by the volume delivered  
175 to the Customer for use or consumption within the corporate limits of the  
176 municipality or local governmental unit.

177

178 However, in the **Municipal Utility Tax Charge** paragraph, the first sentence reads:

179

180 Where the Company pays a municipal tax on gross receipts, including *any*  
181 *payments* resulting from audit adjustments, imposed by a unit of local  
182 government, as heretofore and hereafter amended, the additional charge  
183 shall offset the effect of the tax.

184

185 **Q. Why do you propose to change the word "payments" in the aforementioned**  
186 **paragraphs?**

187 A. The use of the word "amounts" would more clearly indicate that adjustments could go  
188 either way: either passing costs or credits on to the ratepayers. If the Company is

189 allowed to recover amounts assessed to them as the result of any audit adjustments  
190 by passing these amounts onto the ratepayers, the ratepayers should also be  
191 considered if an audit adjustment shows that ratepayers benefit from the result of an  
192 audit adjustment.

193 Additionally, this wording change would also provide consistency throughout all  
194 paragraphs in the Rider.

195

196 **Q. What is your recommendation?**

197 A. If the Company's proposed language, which it claims is needed to clarify its authority,  
198 is approved by the Commission, then I recommend that the word "payments" in the  
199 first sentence of the **Municipal Utility Tax Charge, Local Government Unit Utility**  
200 **Tax Charge and the State Utility Tax, Gas Use Tax and State Utility Fund Tax**  
201 **Charge** paragraphs should be changed to the word "amounts."

202

203 **Q. Does Nicor Gas propose any changes to miscellaneous fees, charges or**  
204 **language in the tariff book on file with the Commission?**

205 A. Yes. As cited in Company witness Mudra's direct testimony (Co. Ex. 14.0), the  
206 Company proposes to change fees, charges and language to several of the terms  
207 and conditions in the tariff book with the Commission.

208

209 **Q. What is the first miscellaneous charge that the Company proposes to change?**

210 A. The first proposal is to increase the charge to a customer for damaging non-steel  
211 service pipes sized 1 1/8" or less from \$360 to \$410.

212

213 **Q. What is the Company's reasoning for proposing that this charge be increased?**

214 A. The Company has not provided any reasoning for the proposed increase in charges  
215 to a customer for damaging non-steel service pipes sized 1 1/8" or less.

216

217 **Q. What is your recommendation on this proposed increase?**

218 A. At this point, I recommend against allowing this proposed increase. I have sent out a  
219 data request (DR CB 2 series) requesting more documentation and analysis and  
220 have not yet received a response from the Company. If the Company addresses and  
221 provides its reasoning for proposing the increases through its data request responses  
222 and rebuttal testimony, I will reconsider my recommendation.

223

224 **Q. What is the Company's second proposed miscellaneous change?**

225 A. The Company proposes that the charge for returned checks for non-sufficient funds  
226 increase from \$16 to \$25.

227

228 **Q. What is the Company's reasoning for this proposed change?**

229 A. The Company would like to increase the fee to bring its fee in line with the amount  
230 that other gas companies are charging customers for returned checks for non-  
231 sufficient funds.

232

233 **Q. Do you agree with the Company's proposal?**

234 A. At this point, I can not provide an opinion as to whether I agree with proposal. I have  
235 submitted a data request (Staff DR CB 2 series) to gather information and an  
236 explanation about the proposed increase. I have not yet received responses to the  
237 data request to allow me to fully form an opinion.

238

239 **Q. Do you recommend approval on this proposed increase?**

240 A. At this point, I recommend against allowing this proposed increase. Depending on  
241 the Company response to the DR CB 2 series and if the Company addresses and  
242 provides its reasoning for proposing the increases through its rebuttal testimony, I will  
243 reconsider my recommendation.

244

245 **Q. What is the Company's third proposed miscellaneous change?**

246 A. The Company proposes that the charges for installation of a gas service pipe for  
247 residential customers and small commercial customers (Meter Class A) exceeding  
248 the first 60 feet would follow the proposed schedule on the Company's Schedule E-  
249 2, page 59 of 148. As is currently the case, the Company would initially install the  
250 service pipe between the Company's main and the customer's property line at its  
251 own expense which includes the first 60 feet of service line. The Company proposes  
252 to increase the price of the installation of the next 90 feet of line by 20% to 32%,  
253 depending on the various sizes of pipe that need to be installed. The Company also  
254 proposes to increase the following 200 feet installation price 30% on the 1/2" and 1"  
255 pipe sizes. All other pipe installations of larger sizes and longer distances would be  
256 charged on a time and material basis by the Company.

257

258 **Q. What is the Company's reasoning for proposing this change?**

259 A. The Company has not provided any reasoning or justification for the proposed  
260 increases to the charges for installation of gas service pipe exceeding the first 60 feet  
261 for Meter Class A customers. I have sent out a data request (CB 2 series) requesting  
262 more documentation and analysis and am still waiting for the Company to respond.

263 **Q. What is your recommendation on this proposed increase?**

264 A. I recommend against allowing this proposed increase at this time. Depending on the  
265 Company's response to the CB 2 series of data requests and if the Company

266 addresses and provides support for its proposal to increase this fee schedule in its  
267 rebuttal testimony, I will reconsider my recommendation.

268

269 **Q. What is the Company's fourth proposed miscellaneous change?**

270 A. The Company would like to increase the charge for service reconnection from \$23 to  
271 \$40. The Company would continue to automatically allow one reconnection fee to  
272 be waived per year for those customers having service disconnected for credit  
273 reasons.

274

275 **Q. What is the Company's reasoning for increasing the service reconnection**  
276 **charge?**

277 A. The Company provides no reasoning or justification to increase the service  
278 reconnection fee from \$23 to \$40. I have sent out data requests (CB 2 series)  
279 requesting more documentation and analysis and have not yet received a response  
280 from the Company.

281

282 **Q. What is your recommendation on this proposed increase?**

283 A. I recommend against allowing this increase at this time. Depending on the  
284 Company's response to CB 2.04 and if the Company addresses and provides support

285 for its proposal to increase this fee schedule in its rebuttal testimony, I will reconsider  
286 my recommendation.

287

288 **Q. What is the fifth proposed change that the Company proposes to make to the**  
289 **tariff book on file with the Commission?**

290 A. The fifth change the Company would like to make is to eliminate the bi-monthly  
291 billing program, because it states that it is rarely utilized by customers.

292

293 **Q. How do you respond to this proposal to eliminate bi-monthly billing?**

294 A. The Company states that the bi-monthly billing program is rarely used by customers.  
295 However, the Company does not provide any support for this claim. I would like to  
296 see supporting information or documentation to support the claim and have asked for  
297 it in the CB 2 series of data requests.

298

299 **Q. Do you recommend approval of this proposal?**

300 A. I recommend against the proposed elimination of the bi-monthly billing at this time.  
301 Depending on the Company's response to CB 2.04 and if the Company addresses  
302 and provides support for its proposal to eliminate the bi-monthly billing program in its  
303 rebuttal testimony, I will reconsider my recommendation.



304

305 **Q. What is the sixth proposed change the Company would like to make to its**  
306 **tariffs?**

307 A. The Company proposes to eliminate the program listed as item (g) on tariff Sheet No.  
308 42 which states:

309 In buildings of at least four stories: (1) underground service pipe will be installed  
310 at no charge; and (2) the Company will own, operate, and maintain vertical gas  
311 risers within the building. This provision is further limited to qualifying buildings,  
312 which will provide an adequate return, as determined by the Company.

313

314 The Company claims that there has been limited use of this program in the last ten  
315 years, and it does not see the need to continue the program. I have sent out a data  
316 request (CB 2.06) requesting more information and analysis and have not yet  
317 received a response from the Company.

318

319 **Q. How do you respond to the proposal to eliminate item (g) on tariff Sheet No.**  
320 **42?**

321 A. The Company has not provided any supporting information or documentation to  
322 support its claim that there has been limited use of the program and that there is no  
323 need to continue the program.

324

325 **Q. Do you recommend approval of the Company's proposal to eliminate this**  
326 **program?**

327 A. No, I recommend against eliminating this program at this time. Depending on the  
328 Company's response to CB 2.06, and if the Company provides information or  
329 documentation that supports the limited use of the program in its rebuttal testimony, I  
330 will reconsider my recommendation.

331

332 **Q. What other changes does the Company propose to make to its tariffs?**

333 A. The Company proposes to make various "housekeeping" changes to tariff Sheet  
334 Nos. 33, 34 and 38 to further clarify or remove outdated language.

335

336 **Q. What are the proposed changes to tariff Sheet No. 33?**

337 A. The Company would like to add verbiage to paragraph 2 so that the first sentence  
338 reads:

339 Subject to the conditions of service stated in this Schedule, any  
340 prospective Customer can obtain gas service by first making an  
341 application, either orally or in writing, or by signing a contract in certain  
342 cases, for the particular class of the service desired.

343

344 Finally, the Company proposes the Selection of Rate paragraph should read:

345 The Company's rates as legally in effect are on file with the Illinois  
346 Commerce Commission and available for public inspection at any  
347 business office of the Company which is regularly open to the public.

348

349 **Q. What is the purpose of the proposed changes?**

350 A. Nicor Gas states that the purpose of the proposed changes is to clarify or remove  
351 outdated language. (Co. Ex. 14.0, p. 52).

352

353 **Q. Do you recommend approval of the proposed language changes to tariff Sheet**  
354 **No. 33?**

355 A. Yes. The proposed changes to the language clarify the General Terms and  
356 Conditions.

357

358 **Q. What are the proposed changes to tariff Sheet No. 34?**

359 A. The Company proposes to further clarify what a Degree Day is so that the definition  
360 would now read:

361 A degree day is 65 degrees Fahrenheit minus the average of the day's  
362 high and low temperatures.

363

364 The Company would also like to modify the Market Price paragraph to read

365 "The Market Price is the cost of gas on a particular day to the Company in order  
366 to obtain additional supplies. Such price shall be the average of the low and high

prices reported for the Chicago City Gate deliveries in Gas Daily. In the event that Gas Daily is unavailable, then a reported Chicago City Gate price of another appropriate publication shall be used."

**Q. Are the proposed changes to the language in tariff Sheet No. 34 appropriate?**

A. Yes. The proposed changes seek to further clarify definitions in the Company's Terms and Conditions of service.

**Q. What is your recommendation regarding the proposed changes to tariff Sheet No. 34?**

A. I recommend the approval of the proposed changes to tariff Sheet No. 34.

**Q. What are the proposed changes to tariff Sheet No. 38?**

A. The Company proposes to make changes to the final paragraph on tariff Sheet No. 38. Specifically, the Company proposes to change the Service Reconnection Charge paragraph to reflect its proposed increase to the reconnection fee to \$42 from \$23 (DR CB 2 series). It also proposes various capitalization changes to certain words and removal of certain words to make the paragraph easier to read and grammatically correct.

387 **Q. Do you recommend the Commission approve these proposed changes to**  
388 **Sheet No. 38?**

389 A. No, I recommend against approving the proposed changes to the final paragraph of  
390 Sheet 38. If the Company provides information or documentation that supports the  
391 proposal to increase the reconnection fee to \$42 from \$23 in its response to CB 2.04  
392 and if the Company provides information or documentation that supports the limited  
393 use of the program in its rebuttal testimony, I will reconsider my recommendation.

394 At this point, the proposal to change the language in this part of the tariff is premature  
395 because the fee increase has not been approved as of yet.

396

397 **Q. What is the first proposed miscellaneous change the Company would like to**  
398 **make to its tariff sheets?**

399 A. The Company proposes to update the list of municipalities and unincorporated  
400 contiguous territories to which the schedule of rates on tariff Sheet Nos. 2 through 9  
401 apply.

402

403 **Q. Do you recommend approval to update the list of municipalities and**  
404 **unincorporated contiguous territories to which the schedule of rates applies?**

405 A. Yes. The list should be updated periodically and this rate case is an appropriate  
406 opportunity to make the list as current as it can be.

407

408 **Q. What is the second proposed miscellaneous change the Company would like**  
409 **to make to its tariff sheets?**

410 A. The Company proposes to standardize the language within its non-residential tariffs  
411 to indicate that the initial term of service shall commence when the Company begins  
412 to supply service, to clarify its telephone line requirements for daily metered Rates 6  
413 and 7, and to make other miscellaneous "housekeeping" items updates on tariff  
414 Sheet Nos. 12, 14 and 21.

415

416 **Q. Do you recommend approval of the Company's proposal to standardize the**  
417 **language within its non-residential tariffs?**

418 A. Yes. The language in the tariff should indicate when the initial term of service will  
419 commence so that new customers are clear what the Terms and Conditions of  
420 service include.

421

422 **Q. Do you agree that the tariff language should include the telephone**  
423 **requirements for daily metered Rates 6 and 7?**

424 A. Yes. Again, new customers should be aware of the Company's expectations and  
425 requirements for telephones so that the Company can provide adequate service to  
426 customers who receive daily metered Rates 6 and 7.

427

428 **Q. What are the proposed "housekeeping" changes to Sheet No. 12?**

429 A. Nicor Gas proposes that the first sentence in the Gas Supply Cost paragraph should  
430 read as follows:

431 The Gas Supply Cost charge shall be the sum of: (1) 0.500-53 times the  
432 Customer's Maximum Daily Contract Quantity multiplied by the Demand  
433 Gas Cost (DGC); and (2) the Commodity Gas Cost (CGC) multiplied by  
434 the Customer's usage supplied by the Company in the billing period, each  
435 such component as applicable in Rider 6, Gas Supply Cost for the billing  
436 period.

437

438 Additionally, in the Contract section, Nicor Gas proposes to use the word "service" to  
439 replace the word "gas" in the first sentence of the second paragraph as well as the  
440 addition of the following second sentence in the third paragraph:

441 Customer shall provide a telephone line conforming to the specifications of  
442 the Company's metering equipment and the daily usage recording device.

443

444 **Q. Do you recommend approval of the proposed language changes to tariff Sheet**  
445 **No. 12?**

446 A. No, I recommend against approving the change of the multiplier to "0.50 times the  
447 Customer's Maximum Daily Contract Quantity" at this time. The Company has not  
448 provided any justification for this proposed change. I have submitted a data request  
449 (Staff DR CB 3.01) to gather information and an explanation about the proposed

450 change. I will reconsider my recommendation if the Company provides support for  
451 the change in response to CB 3.01 and in rebuttal testimony.

452

453 **Q. What are the proposed "housekeeping" changes to tariff Sheet No. 14?**

454 A. The Company proposes that the word "service" should replace the word "gas" in the  
455 first sentence of the first paragraph, and to insert the following sentence in the  
456 second paragraph:

457 Customer should provide a telephone line conforming to the specifications  
458 of the Company's metering equipment and the daily usage recording  
459 device.

460

461 **Q. Do you approve of the changes the Company proposes to tariff Sheet No. 14?**

462 A. Yes. Tariff Sheet No. 14 should be updated to reflect the proposed language  
463 changes. The headings describing all of the Rate Series in Schedule E-2 of the  
464 Company's Part 285 filing include the word "service" in them (i.e., Rate 7: "Large  
465 Volume Service," Rate 17: "Contract Service"). The proposed language would allow  
466 for a more consistent description of what the Company is providing.

467 The proposal to add the language regarding the telephone line requirement assures  
468 that the customer's building will be compatible with the equipment required for the  
469 Company to provide service to the customer.

470



471 **Q. Are there "housekeeping" items that you believe need to be made to the**  
472 **Terms and Conditions?**

473 A. Yes. There is a change that should be made to the Company's third revised Sheet  
474 No. 7, which incorrectly lists the Municipality of Niota as being in Cook County. It  
475 should list the municipality as being in Hancock County.

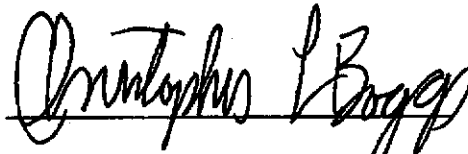
476

477 **Q. Does this conclude your direct testimony?**

478 A. Yes, it does.

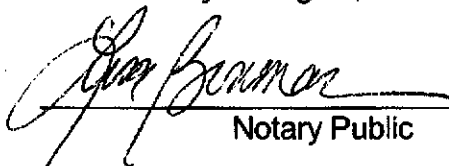
**VERIFICATION**

I, Christopher L. Boggs, being first duly sworn, depose and state that I am a Rate Analyst in the Rates Department of the Financial Analysis Division of the Illinois Commerce Commission; that I sponsor the foregoing Direct Testimony of Christopher L. Boggs; that I have personal knowledge of the information stated in the foregoing Direct Testimony; and that such information is true and correct to the best of my knowledge, information and belief.



Illinois Commerce Commission

Subscribed and sworn to before me  
this 27th day of August, 2008.

  
Notary Public